

2013 Fayette County Property Tax Report with Comparison to 2012

Legislative Services Agency

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This report describes property tax changes in Fayette County between 2012 and 2013.

Property tax changes in 2013 were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. However, three statewide trends affected a large number of counties.

- First, pay-2013 was a statewide reassessment year. In past reassessments there were double-digit percentage increases in assessed values, but this time assessments were almost unchanged statewide. The difference was trending, which has been adjusting assessments annually since 2007. Few counties experienced large assessment increases in 2013. Many experienced assessment decreases.
- Second, farmland assessments continued to rise, with the base rate of an acre increasing 8.7% from \$1,500 to \$1,630. High commodity prices and low interest rates were the reason. Rising farmland assessments were especially important in rural counties, where farmland is a larger part of total assessed value.
- Third, many local income tax credit rates increased substantially. This was due to a corrected distribution of local income tax revenues to local governments. Extra income tax revenue was applied to tax credits in 2013. This may mean that credit rates will fall (and tax bills will rise) in 2014.

Still, local factors were most influential in individual counties in 2013. Here is what affected taxes in Fayette County.

| | Average Change in Tax Bill, All Property | Total Levy, All Units | Certified Net Assessed Value | Tax Cap Credits % of Levy |
|--------|---|-----------------------|---------------------------------|------------------------------|
| 2013 | 2.8% | \$23,218,084 | \$683,395,587 | 17.8% |
| Change | | 4.7% | 3.0% | |
| 2012 | 0.3% | \$22,184,895 | \$663,251,406 | 19.1% |

Comparable Homestead Property Tax Changes in Fayette County

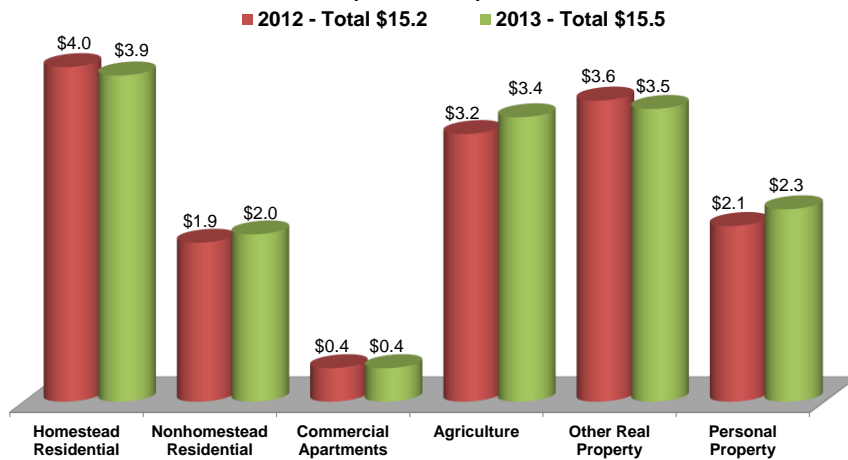
The total tax bill for all taxpayers in Fayette County increased by 2.8% in 2013. The main reason was a 4.7% increase in the levy. An increase in property tax credits, funded by local income taxes, helped hold the tax bill increase below the rise in the levy. In this reassessment year, certified net assessed value increased 3.0% in Fayette County. Tax cap credits as a percent of the levy decreased to 17.8% in 2013 from 19.1% in 2012.

Fayette County homeowners experienced a 2.8% decrease in property tax bills in 2013. This was due to an increase in local property tax credits which more than offset an increase in property tax rates. Homesteads also experienced a decline in net assessed value. Statewide, the average homeowner's tax bill was almost unchanged.

| | 2012 to 2013 | |
|------------------------------------|-------------------------|---------------------|
| | Number of Homesteads | % Share of Total |
| Summary Change in Tax Bill | | |
| Higher Tax Bill | 2,567 | 37.5% |
| No Change | 475 | 6.9% |
| Lower Tax Bill | 3,803 | 55.6% |
| Average Change in Tax Bill | -2.8% | |
| Detailed Change in Tax Bill | | |
| 20% or More | 392 | 5.7% |
| 10% to 19% | 339 | 5.0% |
| 1% to 9% | 1,836 | 26.8% |
| -1% to 1% | 475 | 6.9% |
| -1% to -9% | 2,420 | 35.4% |
| -10% to -19% | 849 | 12.4% |
| -20% or More | 534 | 7.8% |
| Total | 6,845 | 100.0% |

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



In Fayette County most net property taxes were paid by business (other real and personal) and homestead property owners in 2013. Total net property taxes increased 2.8%, more than the average 2.1% increase statewide. Personal property saw the biggest increase, while homestead net taxes decreased by the largest percentage.

Property tax rates increased in all 13 Fayette County tax districts in 2013. The average tax rate rose by 1.6%, because a levy increase more than offset an increase in net assessed value. Statewide, the average tax rate increased by 4.2%.

The total levies of all government units in Fayette County increased by 4.7%, compared to a 3.7% statewide levy increase. Detailed levy changes for local governments in Fayette County are included in a later table.

| Property Type | Gross AV Pay 2012 | Gross AV Pay 2013 | Gross AV Change | Net AV Pay 2012 | Net AV Pay 2013 | Net AV Change |
|------------------------|------------------------|------------------------|-----------------|----------------------|----------------------|---------------|
| Homesteads | \$591,929,130 | \$579,367,131 | -2.1% | \$186,496,092 | \$181,247,978 | -2.8% |
| Other Residential | 118,021,850 | 121,161,059 | 2.7% | 115,394,604 | 118,553,186 | 2.7% |
| Ag Business/Land | 176,497,900 | 189,964,800 | 7.6% | 173,550,817 | 187,306,100 | 7.9% |
| Business Real/Personal | 280,991,123 | 281,477,835 | 0.2% | 202,373,615 | 209,336,187 | 3.4% |
| Total | \$1,167,440,003 | \$1,171,970,825 | 0.4% | \$677,815,128 | \$696,443,451 | 2.7% |

Net AV equals gross AV less deductions and exemptions. Certified net AV is set with the budget, certified by the county auditor and used to calculate tax rates. It may be adjusted by the auditor to account for appeals. Net AV in the above table is summed from tax bills. It includes TIF allocations while Certified net AV does not. Gross AV also is summed from tax bills. Circuit breaker tax caps are calculated on gross AV.

Fayette County's total billed net assessed value increased by 2.7% in 2013. Increases in agricultural assessments were the main reason. Net assessed value for all of Indiana was nearly unchanged, rising by only 0.1%.

| Tax Cap Category | 2012 | 2013 | Difference | % Change |
|------------------|-------------|-------------|------------|----------|
| 1% | \$457,211 | \$375,316 | -\$81,895 | -17.9% |
| 2% | 1,888,934 | 1,952,684 | 63,750 | 3.4% |
| 3% | 1,812,055 | 1,740,670 | -71,385 | -3.9% |
| Elderly | 75,944 | 63,414 | -12,530 | -16.5% |
| Total | \$4,234,143 | \$4,132,084 | -\$102,059 | -2.4% |
| % of Levy | 19.1% | 17.8% | | |

Total tax cap credits in Fayette County were \$4.1 million, which was 17.8% of the levy. This was one of the ten largest credit percentages in the state. The state average was 10.9%, but the median or typical county saw credits equal to 4.2% of its levy. Tax rates were the main determinant of tax cap credits. Fayette

County's average tax rate was higher than the statewide average rate. Most of the tax cap credits in Fayette County were in the 2% nonhomestead residential/farmland category and the 3% business category. A later table shows tax cap credits by category for each local government unit.

Tax cap credits in Fayette County decreased \$102,059 between 2012 and 2013. Credits as a share of the total levy fell from 19.1% in 2012 to 17.8% in 2013.

Fayette County Levy Comparison by Taxing Unit

| Taxing Unit | 2009 | 2010 | 2011 | 2012 | 2013 | % Change | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|
| | | | | | | 2009 - 2010 | 2010 - 2011 | 2011 - 2012 | 2012 - 2013 |
| County Total | 20,438,374 | 21,618,092 | 21,978,006 | 22,184,895 | 23,218,084 | 5.8% | 1.7% | 0.9% | 4.7% |
| Fayette County | 5,109,880 | 5,316,240 | 5,312,748 | 5,614,423 | 5,707,036 | 4.0% | -0.1% | 5.7% | 1.6% |
| Columbia Township | 7,437 | 7,877 | 7,840 | 8,311 | 8,560 | 5.9% | -0.5% | 6.0% | 3.0% |
| Connersville Township | 126,384 | 131,012 | 75,100 | 76,083 | 75,507 | 3.7% | -42.7% | 1.3% | -0.8% |
| Fairview Township | 11,578 | 12,128 | 12,445 | 12,827 | 13,168 | 4.8% | 2.6% | 3.1% | 2.7% |
| Harrison Township | 83,180 | 86,609 | 89,141 | 91,987 | 94,517 | 4.1% | 2.9% | 3.2% | 2.8% |
| Jackson Township | 11,665 | 12,088 | 8,690 | 8,833 | 9,030 | 3.6% | -28.1% | 1.6% | 2.2% |
| Jennings Township | 4,412 | 4,558 | 4,668 | 4,846 | 4,946 | 3.3% | 2.4% | 3.8% | 2.1% |
| Orange Township | 11,640 | 12,057 | 12,376 | 12,768 | 13,138 | 3.6% | 2.6% | 3.2% | 2.9% |
| Posey Township | 16,738 | 17,468 | 17,931 | 18,495 | 18,982 | 4.4% | 2.7% | 3.1% | 2.6% |
| Waterloo Township | 6,077 | 6,190 | 6,502 | 6,696 | 6,877 | 1.9% | 5.0% | 3.0% | 2.7% |
| Connersville Civil City | 7,523,958 | 7,802,857 | 8,003,926 | 8,254,277 | 8,490,703 | 3.7% | 2.6% | 3.1% | 2.9% |
| Glenwood Civil Town | 14,967 | 16,456 | 17,391 | 18,171 | 17,905 | 9.9% | 5.7% | 4.5% | -1.5% |
| Fayette County School Corp | 6,840,400 | 7,497,515 | 7,695,673 | 7,320,969 | 8,001,196 | 9.6% | 2.6% | -4.9% | 9.3% |
| Fayette County Public Library | 670,058 | 695,037 | 713,575 | 736,209 | 756,519 | 3.7% | 2.7% | 3.2% | 2.8% |
| Fayette County Solid Waste District | 0 | 0 | 0 | 0 | 0 | | | | |

Fayette County 2013 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

| Dist # | Taxing District | Tax Rate | LOIT PTRC | Credit Rates | | | | | Net Tax Rate, Homesteads |
|--------|---------------------------------|----------|-----------|----------------|-----------------|-------------------|----------------|------------------|--------------------------|
| | | | | COIT Homestead | CEDIT Homestead | CEDIT Residential | LOIT Homestead | LOIT Residential | |
| 21001 | Columbia Township | 2.1515 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6269 |
| 21002 | Connersville Township | 2.1539 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6287 |
| 21003 | Connersville City-Connersville | 4.9135 | 14.7990% | -- | 9.5825% | -- | -- | -- | 3.7155 |
| 21005 | Fairview Township | 2.1655 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6375 |
| 21006 | Glenwood Town-Fairview Township | 3.7231 | 14.7990% | -- | 9.5825% | -- | -- | -- | 2.8154 |
| 21007 | Harrison Township | 2.1859 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6529 |
| 21008 | Connersville City-Harrison Twp | 4.9388 | 14.7990% | -- | 9.5825% | -- | -- | -- | 3.7346 |
| 21010 | Jackson Township | 2.1375 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6163 |
| 21011 | Jennings Township | 2.1306 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6111 |
| 21012 | Orange Township | 2.1684 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6397 |
| 21013 | Glenwood Town-Orange Township | 3.7302 | 14.7990% | -- | 9.5825% | -- | -- | -- | 2.8207 |
| 21014 | Posey Township | 2.1617 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6346 |
| 21015 | Waterloo Township | 2.1412 | 14.7990% | -- | 9.5825% | -- | -- | -- | 1.6191 |

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Fayette County 2013 Circuit Breaker Cap Credits

| Taxing Unit Name | Circuit Breaker Credits by Property Type | | | | | Circuit Breaker as % of Levy | |
|-------------------------------------|--|---|------------------------------------|---------|-----------|------------------------------|-------|
| | (1%) Homesteads | (2%) Other Residential and Farmland | (3%) All Other Real/Personal | Elderly | Total | Levy | |
| <i>Non-TIF Total</i> | 375,316 | 1,952,684 | 1,740,670 | 63,414 | 4,132,084 | 23,218,084 | 17.8% |
| <i>TIF Total</i> | 0 | 0 | 0 | 0 | 0 | 0 | |
| <i>County Total</i> | 375,316 | 1,952,684 | 1,740,670 | 63,414 | 4,132,084 | 23,218,084 | 17.8% |
| Fayette County | 63,718 | 331,550 | 295,152 | 15,968 | 706,389 | 5,707,036 | 12.4% |
| Columbia Township | 0 | 0 | 0 | 34 | 34 | 8,560 | 0.4% |
| Connersville Township | 1,220 | 5,338 | 3,839 | 254 | 10,651 | 75,507 | 14.1% |
| Fairview Township | 1 | 10 | 3 | 0 | 15 | 13,168 | 0.1% |
| Harrison Township | 869 | 6,686 | 8,003 | 307 | 15,866 | 94,517 | 16.8% |
| Jackson Township | 0 | 0 | 0 | 43 | 43 | 9,030 | 0.5% |
| Jennings Township | 0 | 0 | 0 | 9 | 9 | 4,946 | 0.2% |
| Orange Township | 0 | 33 | 3 | 13 | 49 | 13,138 | 0.4% |
| Posey Township | 0 | 0 | 0 | 3 | 3 | 18,982 | 0.0% |
| Waterloo Township | 0 | 0 | 0 | 19 | 19 | 6,877 | 0.3% |
| Connersville Civil City | 211,653 | 1,098,012 | 980,371 | 22,262 | 2,312,297 | 8,490,703 | 27.2% |
| Glenwood Civil Town | 76 | 2,275 | 373 | 0 | 2,724 | 17,905 | 15.2% |
| Fayette County School Corp | 89,332 | 464,830 | 413,800 | 22,387 | 990,348 | 8,001,196 | 12.4% |
| Fayette County Public Library | 8,446 | 43,950 | 39,125 | 2,117 | 93,638 | 756,519 | 12.4% |
| Fayette County Solid Waste District | 0 | 0 | 0 | 0 | 0 | 0 | |

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.